Government of Saskatchewan

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Weekly Cattle Market Update

For the Week Ending October 20, 2017

All prices are quoted in Canadian dollars per hundredweight ($/cwt) unless otherwise stated.

Saskatchewan Feeder Steer and Feeder Heifer Prices ($/cwt)								
Feeder Steers		**300-400**	**400-500**	**500-600**	**600-700**	**700-800**	**800-900**	**900+ lb.**
Oct. 20/2017	Average	$279.44	$250.83	$229.59	$221.55	$213.03	$200.21	$187.80
Oct. 20/2017	Range	267-293	239-266	221-239	216-228	206-220	192-206	184-194
week/week	Change	$13.44	$4.70	-$1.04	$1.30	$3.03	-$2.17	$1.55
Oct. 13/2017	Average	$266.00	$246.13	$230.63	$220.25	$210.00	$202.38	$186.25
Feeder Heifers		**300-400**	**400-500**	**500-600**	**600-700**	**700-800**	**800+ lb.**	
Oct. 20/2017	Average	$239.69	$214.88	$203.17	$195.40	$185.04	$177.10	
Oct. 20/2017	Range	225-250	205-229	195-213	188-202	180-189	171-185	
week/week	Change	$5.56	$0.88	$4.17	$2.77	-$1.36	-$3.10	
Oct. 13/2017	Average	$234.13	$214.00	$199.00	$192.63	$186.40	$180.20	

Source: Canadian data is provide by Canfax and cannot be redistributed without Canfax consent (www.canfax.ca)
Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Wednesday the current week. N.A. means not available due to lack of sufficient data.

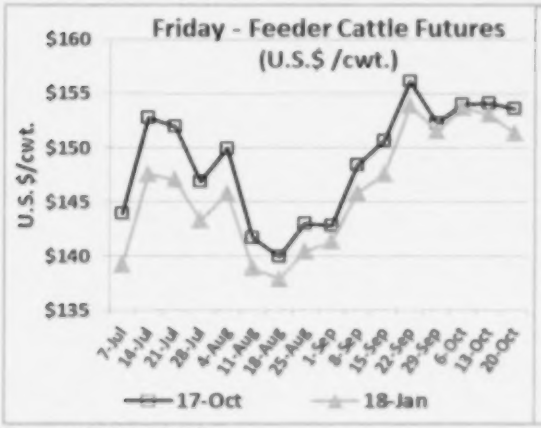
Canfax reported that a total of 31,948 head of cattle were sold in Saskatchewan this week, up substantially from 12,893 head sold the previous week, and up from 24,986 head the same week a year ago.

Saskatchewan feeder steer prices were mixed but overall higher over the week. Saskatchewan feeder steer prices ranged between $2.17 per cwt lower and $13.44 per cwt higher over the week. The light weight 300-400 lb. feeder steer weight category had the biggest price gain of $13.44 per cwt; while the 800-900 lb. feeder steer weight category had the largest decline of $2.17 per cwt. The 500-600 lb. feeder steer price declined $1.04 per cwt to average $229.59 per cwt.

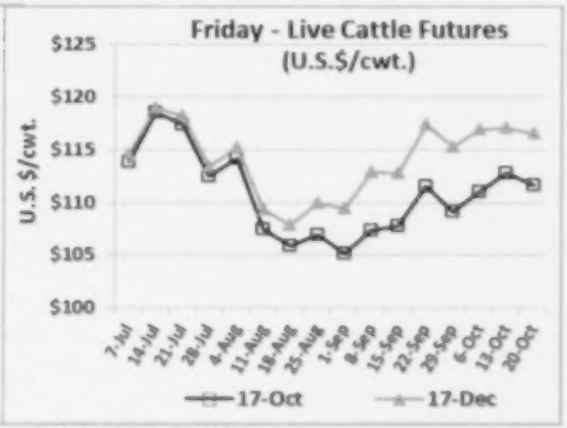
Saskatchewan feeder heifer prices were also mixed over the week with prices overall higher. Prices over the week ranged between $3.10 per cwt lower and $5.56 per cwt higher. The biggest price gain reported over the week was in the light weight 300-400 lb. weight category; while the largest losses were in the heavy 800+ lb. feeder heifer weight category. Saskatchewan feeder cattle prices are provided by Canfax (#403-275-5110) or (www.canfax.ca) and cannot be redistributed without permission.

The Saskatchewan 750 lb. feeder steer basis compared to the Oct. 19, 2017, U.S. feeder cattle index at US$154.79 per cwt was calculated at (+$17.98) per cwt ($213.03 - US$154.79/0.7936, a basis improvement of $1.82 per cwt from the basis of (+$16.16) per cwt from the previous week.

Feeder cattle daily futures prices were mixed over the week with some bigger losses early in the week to push prices lower, week-over-week. The October feeder cattle contract declined US$0.425 per cwt to settle Friday at US$153.625 per cwt; while the November contract declined US$0.750 per cwt to settle Friday at US$153.075 per cwt. The January 2018 feeder cattle futures contract declined US$1.725 per cwt to settle Friday at US$151.325 per cwt.



Source: CME, LMIC



Source: CME, LMIC

Live daily cattle futures prices were also mixed over the week with losses early in the week to push prices lower, week-over-week. The nearby October contract declined US$1.150 per cwt to settle Friday at US$111.675 per cwt; while the December contract declined US$0.525 per cwt to settle Friday at US$116.600 per cwt.

Iowa cash corn prices settled Friday at US$2.98 per bushel, down seven cents from US$3.05 per bushel the previous Friday. Daily corn futures were mixed over the week with bigger price declines on Friday to push prices lower, weak-over-week. The December corn contract declined 8¼ cents to settle Friday at US$3.44 ½ per bushel. The March 2018 corn contract declined eight cents to settle Friday at US$3.58 ½ per bushel.

Fed and Non-fed Cattle

	October 20, 2017	October 13, 2017	Week over Week
Steers (Alberta)			
Live	$137.69	$137.54	+$0.15
Rail	$229.00 to $230.50	$224.50 to $230.50	+$4.50 to +$0
Cows (Alberta)			
D1,2 Live	$89.88	$88.00	+$1.88
D3 Live	$79.50	$79.38	+$0.12
Rail	$172-177	$170-175	+$2.00

Source: Canfax. (n/a = not available, n/c = no change)

Prices for liveweight, non-fed cattle in Alberta were steady-to-higher over the week. The price of D1,2 slaughter cows increased $1.88 per cwt to average $89.88 per cwt; while the price of D3 slaughter cows increased $0.12 per cwt to average $79.50 per cwt. Fed cattle prices for Alberta fed steers averaged $137.69 per cwt over the week, a small increase of $0.15 per cwt from $137.54 per cwt the previous week. Western Canadian slaughter cattle prices are provided by Canfax and cannot be redistributed without their permission. www.canfax.ca)

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. was reported at US$110.87 per cwt, down slightly (US$0.14 per cwt) from US$111.01 per cwt the previous week; but up 11.7 per cent from US$99.24 per cwt the same week a year ago. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at US$174.92 per cwt, steady from US$174.96 per cwt the previous week, and up 11.3 per cent from US$157.15 per cwt the same week a year ago.

The *Cattle on Feed Report* was released on Friday October 20, by the United States Department of Agriculture (USDA), for the October 1 inventory numbers.

October 1, 2016 and 2017, Cattle on Feed (in U.S. feedlots with 1,000+ capacity)

	2016	2017	Per cent of previous year
On feed September 1	10,135,000	10,504,000	103.6
Placed during September	1,895,000	2,150,000	113.5
Marketed during September	1,732,000	1,783,000	102.9
Other disappearance during September	42,000	58,000	138.1
On feed October 1	10,256,000	10,813,000	105.4

Source: USDA

The USDA Cattle on Feed (COF) report indicated that the number of cattle placed on feed in September 2017 was 2.150 million head, up 13.5 per cent from 1.895 million head in September 2016, and up over 11 per cent from 1.928 million head placed in August 2017. The number of fed cattle marketed in September 2017 was 1.783 million head, up 2.9 per cent from 1.732 million head in September 2016, but down almost 10 per cent from 1.979 million head marketed in August 2017. The September 2017 cattle placements were 113.5 per cent of September 2016 numbers which was over five per cent higher than the average trade estimates (107.5 per cent). The cattle marketed in September 2017 were 102.9 per cent of the September 2016 numbers; which was slightly higher than the average trade estimates (102.6 per cent).

The USDA cattle on feed numbers for October 1, 2017 were 10.813 million head, 5.4 per cent above the October 2016 inventory numbers of 10.256 million head, and almost three per cent above the September 2017 numbers. The USDA year-over-year numbers were 105.4 per cent; close to one per cent higher than the average trade estimates (104.7 per cent). The USDA numbers were close to trade estimates except the cattle placed in September which was over five per cent higher than the average trade estimates. The cattle numbers will likely be viewed as negative for cattle markets with the higher September placement numbers indicating higher future cattle marketing numbers.

Beef production for the week was estimated at 521.5 million lb., up 1.4 per cent from 514.4 million lb. the previous week, and up 3.3 per cent from 505.0 million lb. the same week a year ago. Cattle slaughtered over the week were estimated at 632,000 head, up 1.6 per cent from 622,000 head the previous week, and up 5.0 per cent from 602,000 head the same week a year ago.

Friday Price Information

Product		This Week (Oct. 20, 2017)	Week of: (Oct. 13, 2017)	Week of: (Oct. 21, 2016)
Canadian Dollar (closing rate US$)		.7936	.8008	.7504
U.S. Cash Cattle				
Thurs. Feeder Cattle (FC) Index (US$ per cwt)		154.79	155.23	120.66
Seven-day Weighted Average FC Index Wt. (lb.)		783	791	732
Live Fed 5-area Steer Price (US$ per cwt)		110.87	111.01	99.24
Feed Grains				
Barley	Lethbridge ($/tonne)	208.00	205.00	170.00
	($ per bu.)	4.53	4.46	3.70
Corn	Iowa State Average (CDN$/tonne)*	147.83	149.94	161.59
	(US$ per bu.)	2.98	3.05	3.08
	Omaha, NE (CDN$/tonne)*	154.77	151.91	160.54
	(US$ per bu.)	3.12	3.09	3.06
Futures				
	December Corn (US$ per bu.)	3.44 ½	3.52 ¾	3.52 ½
	March Corn (US$ per bu.)	3.58 ½	3.66 ½	3.62 ¼
	October Live Cattle (US$ per cwt)	111.675	112.825	101.150
	December Live Cattle (US$ per cwt)	116.600	117.125	101.875
	October Feeder Cattle (US$ per cwt)	153.625	154.050	121.875
	January Feeder Cattle (US$ per cwt)	151.325	153.050	115.500

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship, Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News
* conversion to CDN$ is based on Friday's CDN$ closing rate.

U.S. choice beef cutout prices (600-900 lb.) averaged US$198.63 per cwt over the week, up US$1.13 per cwt or 0.6 per cent from US$197.50 per cwt the previous week, and up 10.4 per cent from US$179.99 per cwt the same week a year ago.

For more information contact:

Brad Marceniuk, PAg.
Provincial Livestock Economist
306-933-5098
brad.marceniuk@gov.sk.ca